

HUMAN SERVICES SYSTEM

BUDGET UNIT: CHILD CARE PROVIDER PAYMENTS (AAA ETP)

I. GENERAL PROGRAM STATEMENT

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of the federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients that are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Estimated 2002-03	Department Request 2003-04
Total Appropriation	85,891,477	68,504,316	90,311,824	93,919,917
Total Revenue	85,943,528	68,504,316	90,311,824	93,919,917
Local Cost	(52,051)	-	-	-
<u>Workload Indicators</u>				
Annual Paid Cases	23,153	18,229	21,284	20,462
Average Monthly Aid	\$309	\$313	\$354	\$382

In 2002-03 the budget was built based on assumptions that funding would be cut by as much as 25%. When the state released the 2002-03 allocations, funding was cut by only 9%. Due to this fact this estimate is built based on caseload trend and not on expected allocations.

Sufficient funding has been received to cover childcare expenses in 2002-03. Allocations received for childcare are as follows:

Program	2002-03 Original Allocations	Mid-Year Allocation Augmentations	Final Allocations
Stage 1 CalWORKS	\$ 35,681,406	\$ 12,192,651	\$ 47,874,057
Stage 2 Contracts	27,045,683	2,307,182	29,352,865
Stage 3 Contracts	8,167,041	2,550,000	10,717,041
General Alternative Payment (Child Protective Services)	826,971	16,539	843,510
Federal Alternative Payment (Federal Block Grant)	3,128,898	62,578	3,191,476
Total	\$ 74,849,999	\$ 17,128,950	\$ 91,978,949

In July 2002 the department presented to the Board the 2002-03 allocations and increased appropriations by \$7.0 million. Estimates indicated a need for additional funding of approximately \$13.5 million. The department submitted its request to the state in January 2003. As of April 2003 all requests for additional funding have been granted and the department will present the allocation augmentations along with the increase in appropriations and revenue to the Board in late April.

III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

None.

HUMAN SERVICES SYSTEM

PROGRAM CHANGES

In 2003-04 the Governor proposes childcare funding to be included in the "realignment II" funding shift to the county. This will allow for childcare to continue to be fully funded as long as sales tax revenues grow. This would also give the county the flexibility to determine eligibility requirements in times when funding becomes stagnant.

It is projected that caseload will continue to decrease slightly due to recipients timing out or exhausting their allowable time to receive childcare. Average monthly aid in 2003-04 will increase by 8% due to inflation and high demand for childcare services.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no local cost.

OTHER CHANGES

None.

IV. VACANT POSITION IMPACT

None.

V. OTHER POLICY ITEMS

None.

VI. FEE CHANGES

None.

GROUP: Human Services System
DEPARTMENT: Entitlement Payments
FUND: General AAA ETP

FUNCTION: Public Assistance
ACTIVITY: Aid Programs

HUMAN SERVICES SYSTEM

ANALYSIS OF 2003-04 BUDGET

	A	B	C	D	B+C+D E
	2002-03 Year-End Estimates	2002-03 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget
<u>Appropriation</u>					
Other Charges	90,311,824	68,504,316	30,534,442	-	99,038,758
Total Appropriation	90,311,824	68,504,316	30,534,442	-	99,038,758
<u>Revenue</u>					
State, Fed or Gov't Aid	90,311,824	68,504,316	30,534,442	-	99,038,758
Total Revenue	90,311,824	68,504,316	30,534,442	-	99,038,758
Local Cost	-	-	-	-	-

GROUP: Human Services System
DEPARTMENT: Entitlement Payments
FUND: General AAA ETP

FUNCTION: Public Assistance
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ANALYSIS OF 2003-04 BUDGET

	E	F	E+F G	H	G+H I	J	I+J K
	Board Approved Base Budget	Recommended Program Funded Adjustments	2003-04 Department Request	Vacant Position Impact	2003-04 Proposed Budget (Adjusted)	Recommended Vacant Restoration	2003-04 Recommended Budget
Appropriation							
Other Charges	99,038,758	(5,118,841)	93,919,917	-	93,919,917	-	93,919,917
Total Appropriation	99,038,758	(5,118,841)	93,919,917	-	93,919,917	-	93,919,917
Revenue							
State, Fed or Gov't Aid	99,038,758	(5,118,841)	93,919,917	-	93,919,917	-	93,919,917
Total Revenue	99,038,758	(5,118,841)	93,919,917	-	93,919,917	-	93,919,917
Local Cost	-	-	-	-	-	-	-

Base Year Adjustments

Other Charges	<u>30,534,442</u>	Increase in allocations from federal and state sources.
Total Appropriation	<u>30,534,442</u>	
Total Revenue	<u>30,534,442</u>	
Total Local Cost	<u>-</u>	

Recommended Program Funded Adjustments

Other Charges	<u>(5,118,841)</u>	Reduction due to caseload decline.
Total Appropriation	<u>(5,118,841)</u>	
Revenue		
State, Fed or Gov't Aid	<u>(5,118,841)</u>	
Total Revenue	<u>(5,118,841)</u>	
Local Cost	<u>-</u>	